



Investment in China



With more and more demands from our customers to ask about the machine purchasing and installation in China, we prepare this document to briefly itemize some important issues for your investment in China:

[A] Import License and Credit Limit

As Chinese government controls the foreign exchange (or US Dollars more specifically), there exists Foreign Exchange Credit Limit for every enterprise when setting up the company. If you do not exceed the credit limit, then you can import the machines by yourselves providing the credit is not used up. In case your credit limit is not sufficient (or used up), you will have to call for the assistance from the local trading companies to import machines for you.

[B] Import Tax.

Chinese custom import duty for CNC machines is 9.7% and value added tax is 17% so you have to pay duty 28.349% ($1.097 * 1.17$) through the local trading company unless you have tax-free import license.

[C] Payment made by USD or RMB?

The direct trading between China and Taiwan is not available. If Letter of Credit (L/C) can be issued with US DOLLARS, you can directly purchase machines from VICTOR Taiwan. You will clear the customs by yourselves after we ship out the machines to your specified destination. *In case that you wish to pay the RMB instead of USD*, there are two options for you:

- (1) You have to contact the local trading company (as mentioned in above [A]) to import the machines for you and the trading company will pay Victor Taiwan USD or other available foreign currencies.
- (2) VICTOR Taiwan has also set up a company in Shanghai (“VICTOR China” in short) to offer the efficient and reliable sales and service to Chinese customers or investors. You can pay the RMB to VICTOR China who will find the qualified trading company for you to import Victor machines.

VICTOR China is located in Shanghai city with more than 200 employees (including 21 employees from VICTOR Taiwan) and to address the local sales and to take care the service for more than 2000 Victor CNC machines installed in China already.

Summary:

- 1. In case you have no import license, you can only purchase machines from VICTOR China.***
- 2. If you have to pay by RMB, please directly deal with VICTOR China for the pricing and quotations.***

[D] Machine installation and future service

No matter where you purchase machines from VICTOR Taiwan or VICTOR China, one year machine warranty is included as standard and VICTOR China will be responsible for technical service supports as well as the spare parts supply. Please note the training and installation costs are NOT included in the quotations from VICTOR Taiwan because China is such a big territory so *the installation cost will be varied depending on your factory location.*

For more detailed information, please contact the following:

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